



News Release

Media Relations Office

Washington, D.C.

Tel. 202.622.4000

For Release: 2/27/02

Release No: IR-2002-24

IRS HAS \$2.3 BILLION IN REFUNDS FOR INDIVIDUALS WHO FAILED TO FILE 1998 RETURNS

WASHINGTON -- Unclaimed refunds totaling more than \$2.3 billion are awaiting about 1.7 million people who failed to file a 1998 income tax return, the Internal Revenue Service announced today. However, in order to collect the money, a return must be filed with an IRS office no later than April 15, 2002.

"Time is running out for individuals to take steps to claim this money," said IRS Commissioner Charles O. Rossotti. "If no return is filed to claim the refund within three years, then this money will become the property of the U.S. Treasury."

The IRS estimates that about half of those who could claim refunds would receive less than \$498. Some individuals had too little income to require filing a tax return but may have had taxes withheld from their wages. Others may not have had any tax withheld but would be eligible for the refundable Earned Income Tax Credit.

In cases where a return was not filed, the law provides most taxpayers with a three-year window of opportunity for claiming a refund. For 1998 returns, the window closes on April 15, 2002. The law requires that these returns be properly addressed, postmarked, and mailed by that date. There is no penalty assessed by the IRS for filing a late return qualifying for a refund.

The IRS reminds taxpayers seeking a 1998 refund that their checks will be held if they have not filed tax returns for 1999 or 2000. In addition, the refund will be applied to any amounts still owed to the IRS and may be used to satisfy unpaid child support or past due federal debts such as student loans.

By failing to file a return, individuals stand to lose more than refunds of taxes withheld or paid during 1998. Many low-income workers may not have claimed the Earned Income Tax Credit (EITC). Although eligible taxpayers may get a refund when their EITC is more than their tax, those who file returns more than three years late would be able only to offset their tax. They would not be able to receive refunds if the credit exceeded their tax.

For 1998, individuals qualified for the EITC if they earned less than \$30,095 and had more than one qualifying child living with them; less than \$26,473 with one qualifying child or less than \$10,030 and had no qualifying child.

(more)

Current and prior year tax forms are available on the IRS Web site (www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676). Taxpayers who need help preparing prior year returns or gathering income records may call the IRS help line at 1-800-829-1040. To allow time for processing, forms and/or tax help should be requested by mid-March.

A state-by-state breakdown of tax year 1998 potential nonfilers and estimated refund amounts follows.

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TAX YEAR 1998 POTENTIAL NONFILERS WITH APPARENT REFUNDS

Location	Estimated Potential Nonfilers	Median Estimated Refund	Total Estimated Refunds (\$000)
Alabama	28,100	\$489	\$27,618
Alaska	8,300	\$514	\$11,838
Arizona	35,000	\$436	\$42,014
Arkansas	15,300	\$483	\$14,329
California	181,000	\$452	\$221,646
Colorado	28,800	\$453	\$39,614
Connecticut	19,200	\$560	\$45,749
Delaware	5,800	\$494	\$5,949
District of Columbia	7,300	\$465	\$10,579
Florida	116,700	\$504	\$183,314
Georgia	63,300	\$471	\$74,075
Hawaii	10,600	\$514	\$13,550
Idaho	6,000	\$435	\$6,550
Illinois	73,900	\$540	\$118,799
Indiana	35,200	\$530	\$43,807
Iowa	16,200	\$491	\$14,112
Kansas	18,300	\$478	\$21,985
Kentucky	18,400	\$491	\$18,760
Louisiana	28,700	\$503	\$33,550
Maine	5,600	\$451	\$8,193
Maryland	36,800	\$496	\$45,034
Massachusetts	38,200	\$541	\$86,491
Michigan	75,100	\$537	\$94,802
Minnesota	23,200	\$447	\$24,342
Mississippi	15,200	\$458	\$14,362
Missouri	34,300	\$479	\$38,457

Location	Estimated Potential Nonfilers	Median Estimated Refund	Total Estimated Refunds (\$000)
Montana	4,400	\$449	\$5,298
Nebraska	8,200	\$466	\$7,932
Nevada	19,400	\$481	\$30,434
New Hampshire	6,200	\$565	\$16,311
New Jersey	56,500	\$547	\$101,623
New Mexico	10,300	\$454	\$11,285
New York	106,900	\$528	\$185,817
North Carolina	52,100	\$447	\$51,842
North Dakota	2,300	\$481	\$2,170
Ohio	55,900	\$500	\$67,215
Oklahoma	23,600	\$472	\$22,500
Oregon	25,500	\$420	\$27,324
Pennsylvania	55,600	\$524	\$75,963
Rhode Island	5,500	\$504	\$6,777
South Carolina	21,500	\$436	\$20,296
South Dakota	2,900	\$492	\$2,945
Tennessee	27,800	\$506	\$34,727
Texas	135,900	\$524	\$181,908
Utah	10,800	\$445	\$14,439
Vermont	2,400	\$441	\$2,777
Virginia	49,900	\$474	\$59,809
Washington	46,100	\$537	\$66,647
West Virginia	5,000	\$534	\$11,456
Wisconsin	21,300	\$466	\$19,751
Wyoming	2,500	\$503	\$3,279
Armed Forces	7,300	\$555	\$4,805
U.S. Possessions	2,500	\$680	\$4,434
Foreign Addresses	4,500	\$904	\$27,071
Total	1,717,300	\$498	\$2,326,354